

question with the unfunded liability. I don't know how many of you, I guess I am one around here a little bit more on statistics than some of the other senators, if you will notice in the Governor's proposal and budget that she gave to the Legislature, instead of returning 13.6 or 13.7 million back as, hopefully, state aid to school that was lost, that amount had to be reduced to 10.6 million or 10.4 million, in that neighborhood. Let me explain where that came from. That came from the unfunded liability of the Teachers Retirement Fund. That fund will be with us from now and from here on, and it would have been using the 11 percent rate, \$1.1 million, and to a more...the rate that is more normal today, 8.5 percent interest on that, that fund becomes 3.4 million. So that is where the 3.4 million came from in the Governor's projected state aid. So, in essence, that is tax dollars. That is property tax dollars because there is that much less money going out as state aid to education, or the increase. If it goes to 8 percent, the unfunded liability will be 4.5 million. So I do want the body to know that, where these figures are coming from. In addressing the unfunded liability, this amount will change and the reason that it will increase is the fact that when these employees, when the actuaries set up the figures, the benefits, every time they are increased, the unfunded liability becomes greater, and this unfunded liability comes directly out of the state General Fund payment. It is required and it is mandated by law so that will be with us. The bill, the first part of the bill, one cost about \$700,000, and the other, 2.7 million. As we have established, it is school district money and it is teachers retirement money. School district money is taxpayers money and it is what I guess caused recalls in some position. All right, you are wondering why I am going to support the bill. In my own district, these are the figures. The teachers salary is about 18 million, or the salaries that this figure would be paid on. Using a .4, it is \$72,000 increase to my district, not a big amount of money, and then on the other hand teachers that have been in the service and are teaching somewhere around in the neighborhood of \$30,000, hopefully they will be replaced with a teacher more in the \$20,000 bracket. So in my district, there are approximately 35 to 40 teachers that may be affected by this. So with...

SPEAKER BARRETT: One minute.

SENATOR NELSON: ...being able to hire at a lower salary and replacing maybe the older burned-out teachers, maybe and maybe